

# City of Detroit

## CITY COUNCIL

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ANNE MARIE LANGAN  
DEPUTY DIRECTOR  
(313) 224-1078

TO: Alicia C. Minter, Director  
Recreation Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

24.

DATE: April 27, 2011

RE: 2011-2012 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2011-2012 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Thursday, April 28, 2011 at 2:30 p.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers  
Council Divisions  
Auditor General's Office  
Thomas Lijana, Finance Director  
Floyd Stanley, Deputy Budget Department Director  
Charleta McInnis, Budget Department  
Denise N. Gardner, Mayor's Office

## **Recreation (39)**

### **FY 2011-12 Budget Analysis by the Fiscal Analysis Division**

The Recreation Department is a General Fund agency. The recommended 2011-12 budget is \$22.65 million, or \$478,131 (2.15%) more than the current year's budget. The recommended net tax cost is \$21.3 million, which is \$1.14 million (5.65%) more, than the current fiscal year.

In the 2011-12 FY, the Recreation Department will receive \$6 million from the Casino Percentage Payment. The department plans to use \$4.4 million (73.3%) of the Casino Percentage Payment for seasonal employment and the remaining \$1.6 million (26.7%) allocation for capital/maintenance projects in the recreation centers.

#### **2010-11 Surplus/(Deficit)**

For the Recreation Department, the Administration anticipates a net surplus of \$3.44 million for the current fiscal year. The department's projected surplus is due primarily to an appropriation surplus of \$3.39 million due to departmental vacancies and lower costs associated with seasonal employees and overtime, in addition to a small revenue surplus of \$55,361.

#### **Overtime**

The department has a 2011-12 FY overtime budget of \$181,837. As of March 31, 2011, the department has expended \$109,057 (60%) on overtime. The recommended overtime budget for 2011-12 is \$181,837, no change from the current fiscal year.

#### **Personnel and Turnover Savings**

The Mayor recommends a net increase of 10 positions to the overall number of positions for the department.

The 10 additional positions in Recreation in the 2011-12 FY are the net result of 12 additions in Recreation Operations and the loss of two positions in Historic Fort Wayne in the 2011-12 FY.

The Mayor recommends no turnover savings in 2011-12.

The following is information by appropriation comparing current FY 2010-11 filled positions, and FY 2011-12 recommended positions, as of March 31, 2011.

<u>Appropriation/Program</u>	<u>Redbook Positions FY 2010- 11</u>	<u>Filled Positions 3/31/2011</u>	<u>Mayor's Budget Positions FY 2011- 12</u>	<u>Over/(Under) Actual to 10/11 Budget</u>	<u>Mayor's Recommended Turnover</u>
<b>Recreation (39):</b>					
<b>00905 1994-Capital Improvements</b>				<b>0</b>	<b>\$ -</b>
<b>11654 Adult Day Care Grant 2006</b>				<b>0</b>	<b>\$ -</b>
<b>11656 Recreation Management</b>	<b>7</b>	<b>6</b>	<b>7</b>	<b>(1)</b>	<b>\$ -</b>
395155 Butzel Family Center	1	1	1	0	\$ -
395165 Recreation Camp				0	\$ -
395175 Security				0	\$ -
395180 Administration Support Unit	2	1	2	(1)	\$ -
395185 Rogell Golf Course				0	\$ -
395190 Henderson Marina	4	2	4	(2)	\$ -
<b>11657 Business Operations &amp; Support Svc.</b>	<b>7</b>	<b>4</b>	<b>7</b>	<b>(3)</b>	<b>\$ -</b>
395200 Landscape Design Unit				0	\$ -
395210 Strategic Planning & Grants		1		1	\$ -
<b>11658 Planning, Design &amp; Const. Mgmt.</b>		<b>1</b>		<b>1</b>	<b>\$ -</b>
395300 Buildings & Ground Maintenance		2		2	\$ -
395310 Ground Maintenance				0	\$ -
395320 Seasonal Ground Maintenance				0	\$ -
395330 Building Repair & Improvements				0	\$ -
395333 Forestry				0	\$ -
395335 Vacant Lots				0	\$ -
395340 Forestry Administration				0	\$ -
395360 Nursery				0	\$ -
395370 Floriculture				0	\$ -
<b>11659 Buildings &amp; Ground Maintenance</b>		<b>2</b>		<b>2</b>	<b>\$ -</b>
395400 Huber Facility				0	\$ -
395410 Huber Storeroom				0	\$ -
<b>11660 Huber Facility &amp; Storeroom</b>				<b>0</b>	<b>\$ -</b>
395500 Forestry Operations Administration				0	\$ -
395510 Forestry Operations				0	\$ -
395520 Nursery				0	\$ -
395530 Floriculture				0	\$ -
<b>11661 Forestry Operations</b>				<b>0</b>	<b>\$ -</b>
395605 Building Operations				0	\$ -
395610 North Building Operations				0	\$ -
395620 South Building Operations				0	\$ -
395630 East Building Operations				0	\$ -
395640 West Building Operations				0	\$ -
395650 Roving Cleaning Crew				0	\$ -
<b>11662 Building Operations</b>				<b>0</b>	<b>\$ -</b>
395700 Recreation Operations Administration	6		6	(6)	\$ -
395705 Recreation Operations	112	179	124	67	\$ -
395707 Rec Operations-Summer Only-Motto				0	\$ -
395710 North Recreation Operations				0	\$ -
395720 South Recreation Operations				0	\$ -
395730 East Recreation Operations				0	\$ -
395740 West Recreation Operations				0	\$ -

<b>11163 Recreation Operations</b>	<b>118</b>	<b>179</b>	<b>130</b>	<b>61</b>	<b>\$</b>	<b>-</b>
395800 Special Programs				0	\$	-
395810 Special Services				0	\$	-
395820 Physically Challenged Program				0	\$	-
395830 Athletic Office				0	\$	-
395840 After School Program				0	\$	-
<b>11164 Programming</b>				<b>0</b>	<b>\$</b>	<b>-</b>
395900 Belle Isle Operations Administration	6	4	6	(2)	\$	-
395910 Forestry Operations				0	\$	-
395920 Ground Maintenance				0	\$	-
395930 Seasonal Ground Maintenance				0	\$	-
395940 Building Operations				0	\$	-
395950 Recreation Operations	2		2	(2)	\$	-
395957 BI Rec Oper-Summer Only-Motor City				0	\$	-
395960 Detroit Boat Club				0	\$	-
<b>11665 Belle Isle Operations</b>	<b>8</b>	<b>4</b>	<b>8</b>	<b>(4)</b>	<b>\$</b>	<b>-</b>
<b>11166 Youth</b>				<b>0</b>	<b>\$</b>	<b>-</b>
<b>11167 Eastern Market</b>				<b>0</b>	<b>\$</b>	<b>-</b>
<b>12141 Historic Fort Wayne</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>\$</b>	<b>-</b>
<b>12147 Senior Citizens Advocacy</b>				<b>0</b>	<b>\$</b>	<b>-</b>
<b>12149 Outreach &amp; Assistance</b>				<b>0</b>	<b>\$</b>	<b>-</b>
<b>12150 Consumer Advocacy</b>				<b>0</b>	<b>\$</b>	<b>-</b>
<b>39XXXX PART-TIME EMPLOYEES</b>		<b>125</b>		<b>125</b>	<b>\$</b>	<b>-</b>
<b>12915 Recreation Block Grant 2010</b>				<b>0</b>	<b>\$</b>	<b>-</b>
<b>13174 Strategic Planning &amp; Grants</b>	<b>1</b>		<b>1</b>	<b>(1)</b>	<b>\$</b>	<b>-</b>
39XXXX Leave of Absence		(5)		(5)	\$	-
39XXXX Worker's Comp.		(3)		(3)	\$	-
39XXXX Unmatched Positions		<u>11</u>		<u>11</u>	<u>\$</u>	<u>-</u>
<b>TOTAL</b>	<b><u>143</u></b>	<b><u>326</u></b>	<b><u>153</u></b>	<b>183</b>	<b><u>\$</u></b>	<b><u>-</u></b>

### Significant Funding by Appropriation

#### Appro.    Program

11656	Recreation Management	This appropriation with 7 fte's increases slightly by \$6,562 from \$893,454 to \$900,016, in the 2011-12 FY, due primarily to employee benefit increases.
13174	Strategic Planning & Grants	This appropriation of one fte increases by a small margin as well (\$7,040), increasing from \$87,479 to \$94,483 for the 2011-12 FY, due primarily to employee benefit increases.
11657	Business Operations & Support Services	This appropriation of \$8.17 million increases by \$325,111 in the 2011-12 FY. The majority of the net increase in this appropriation (99.3%) is due to a \$322,317 increase in org 395180 Administration Support Unit, which is due primarily to a \$322,951 increase in Utilities-Pld Electricity.

11667	Eastern Market	This 2010-11 appropriation of \$220,670, comprised primarily of utilities payments for the Eastern Market, is eliminated and reduced to zero in the 2011-12 FY.
12701	Recreation-Northwest Activity Center	This 2010-11 appropriation of \$150,000 decreases by \$69,000 (46%) in the 2011-12 FY, thereby reducing the NWAC subsidy to \$81,000 for the 2011-12 FY.
11663	Recreation Operations	This appropriation increases by \$927,618 in the 2011-12 FY. The increase is due primarily to a \$1,142,705 increase in org 395705 Recreation Operations, as a direct result of the costs associated with the addition of 12 positions; and a \$58,509 increase in org 395707 Rec Operations-Summer Only. The increases are offset by a \$273,596 decrease in org 395700 Recreation Operations Administration, comprised primarily of a \$ 234,476 reduction in Major Repairs-buildings and various other small decreases.
12915	Recreation Block Grant 2011	This block grant appropriation is budgeted at \$150,000 in the 2011-12 FY, a reduction of \$400,000 (72.7%) from the current fiscal year.
13118	2010-11 Minigrants Administration	This budgeted at \$18,200 in 2010-11 is reduced to zero in the 2011-12 FY.
13119	2010-11 Minigrants Program	This grant appropriation budgeted at \$61,400 in 2010-11 is reduced to zero in the 2011-12 FY.
13120	2011 National Arts Program Awards	This grant appropriation budgeted at \$2,400 in 2010-11 is reduced to zero in the 2011-12 FY.
13301	2012 National Arts Program Awards	This grant appropriation renamed for accounting purposes and budgeted at \$2,400 in 2011-12 FY.
13302	2011-12 Minigrants Program Administration	This grant appropriation is renamed for accounting purposes and budgeted at \$12,700 in 2011-12 FY.
13303	2011-12 Minigrants Program	This grant appropriation is renamed for accounting purposes and budgeted at \$39,200 in 2011-12 FY.
11665	Belle Isle Operations	This appropriation increases slightly by \$52,232 (5.6%) in the 2011-12 FY.
12141	Historic Fort Wayne	This appropriation budgeted at \$347,790 in the 2010-11 FY, decreases by \$123,026 (35.37%) to \$224,764 in the 2011-12 FY, due primarily to the reductions in salaries & wages and benefits associated with the loss

of the appropriation's 2 fte's \$78,226, a \$44,000 reduction in operating services and an \$800 reduction in operating supplies.

Significant Revenue Changes by Appropriation and Source

<u>Appro.</u>	<u>Program</u>	
11656	Recreation Management	This revenue budgeted at \$246,046 in the 2011-12 FY, decreases by \$249,004 (50.3%), due primarily to a \$250,000 decrease in Miscellaneous Concession-Golf Course, due to the operations, maintenance and management of the Chandler Park, Palmer Park, Rouge Park and Rackham golf courses, with a new contractor, offset by a \$996 increase in Miscellaneous Concession-East Side.
11657	Business Operations & Support Services	This revenue appropriation of \$422,394 remains unchanged in the 2011-12 FY.
11663	Recreation Operations	This revenue of \$50,000 remains unchanged in the 2011-12 FY.
11665	Belle Isle Operations	This revenue increases by \$7,000 in the 2011-12 FY, due primarily to a corresponding \$7,000 increase in Belle Isle Operations Administration.
12141	Historic Fort Wayne	This revenue budgeted at \$77,000 in the 2010-11 FY, increases by \$5,000 to \$82,000 in the 2011-12 FY, due to a anticipated \$5,000 increase in Parking Facilities Revenue.

### **Recreation Department (39)**

	FY 2010-11	FY 2011-12	Increase
<u>Budgeted Professional and Contractual Services by Activity</u>	<u>Budget</u>	<u>Recommended</u>	<u>(Decrease)</u>
Administration	\$ 60,000	\$ 44,550	\$ (15,450)
Business Operations	378,500	221,400	(157,100)
Planning, Design & Construction	-	-	-
Recreation Operations	125,000	101,250	(23,750)
Youth Services	-	-	-
Programming	82,000	54,300	(27,700)
Belle Isle Operations	72,000	60,660	(11,340)
Historic Fort Wayne	-	-	-
Capital Projects-Bonds	-	-	-
<b>Total</b>	<b><u>\$ 717,500</u></b>	<b><u>\$ 482,160</u></b>	<b><u>\$ (235,340)</u></b>

Professional and contractual services for the Recreation Department decrease by \$235,340 (32.8%) in the 2011-12 fiscal year. The \$235,340 decrease (detailed above) is due to reductions in contractual services throughout the department. The majority of the decrease in contractual services, \$157,000 (66.9%), is in Business Operations.

### Issues and Questions

#### **Pg 39-6 MAJOR INITIATIVES FY 2010-11**

The first initiative states that the department will continue to work with the General Services Department (GSD) to ensure that Recreation Department needs are effectively addressed.

- There have been complaints to Council that several recreation centers haven't been adequately maintained for cleanliness. What are the challenges in maintaining this objective? Have GSD's cleaning schedules presented a problem in maintaining the daily care for recreation centers?

#### **Pg 39-7 RECREATION BUSINESS OPERATIONS MEASURES AND TARGETS**

The department is anticipating an increase in permits issued to increase from an actual number of 100 in FY 2009-10, to increase to a projection of 250 (100%) in 2010-11 and target of 350 for 2011-12 (a 280% increase over 2009-10).

- What is the basis for these estimates and what if any impact will these increases have on revenue?

The Activity Center (Northwest Activities Center) contribution has been reduced from \$150,000 to \$81,000 by the Mayor, the second consecutive fiscal year decrease.

- What was the rationale for the decrease and what is the projected impact the Northwest Activities Center?

### **39-11 PLANNING FOR THE FUTURE FOR FY 2011-12, 2012-13 and BEYOND**

This section indicates that the 2011-12 FY budget includes \$6 million in (Casino) funding for summer seasonal staff and capital/maintenance projects at the recreation centers.

- Is the \$4.4 million allocation of the Casino payment for capital/maintenance projects an adequate amount to address the department's needs? If not, what amount in capital funding would adequately address the department's capital and maintenance needs?
- The new Farwell Recreation Center has opened without a constructed pool or gym. The department has indicated that plans to include a pool and gym are coming with another phase of construction. What are the department's plans in regard to adding these amenities to Farwell? Can the Casino funds be used for this project?
- What specific capital projects were included in the current fiscal year for capital/maintenance projects? How many were completed and how many are yet to be finished?

Please provide a list of all fees and charges made by the Recreation Department. Include the amount of the current fee or charge. Indicate when the fee or charge was last changed, and the amount of the change. Please indicate when the department's fees or charges were last reviewed by study. If the fees were included in the study what was the recommendation? Has the recommendation been implemented? If not, please provide an explanation of why the recommendation was not implemented?

- Is the department involved in any activities that are not recorded as part of the city's financial reporting system? If so, please identify what the activities are.

Does the department use any automated or electronic systems not directly linked to the financial reporting system, DRMS? If so, identify what the systems are, and what the plans and timetable is to incorporate the system into DRMS. Example, the Recreation Department has a Recreation Activity Fund whose financial records are maintained separately from the DRMS system.

Is the Recreation Department eligible for any stimulus funding? If so, what is the department's status in this regard?

Are there changes to the Charter that would improve your department's efficiency?

IC:DH